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# INSTRUCTIONS, RULES, AND FORMS

## CONCERNING PATENTS, TRADE-MARKS, PRINTS, LABELS AND COPYRIGHTS

ISSUED BY THE  
113 FEDERAL TRADE COMMISSION  
UNDER SECTION TEN OF THE "TRADING  
WITH THE ENEMY ACT"



17-26913

WASHINGTON  
GOVERNMENT PRINTING OFFICE

1917

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## INSTRUCTIONS, RULES, AND FORMS CONCERNING PATENTS, TRADE-MARKS, PRINTS, LABELS, AND COPYRIGHTS.

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The act of Congress approved October 6, 1917, known as the "Trading with the enemy Act," contains the following provisions concerning patents, trade-marks, prints, labels, and copyrights:

SEC. 10. That nothing contained in this act shall be held to make unlawful any of the following acts:

(a) An enemy, or ally of enemy, may file and prosecute in the United States an application for letters patent, or for registration of trade-mark, print, label, or copyright, and may pay any fees therefor in accordance with and as required by the provisions of existing law and fees for attorneys or agents for filing and prosecuting such applications. Any such enemy, or ally of enemy, who is unable during war, or within six months thereafter, on account of conditions arising out of war, to file any such application, or to pay any official fee, or to take any action required by law within the period prescribed by law, may be granted an extension of nine months beyond the expiration of said period, provided the nation of which the said applicant is a citizen, subject, or corporation shall extend substantially similar privileges to citizens and corporations of the United States.

(b) Any citizen of the United States, or any corporation organized within the United States, may, when duly authorized by the President, pay to an enemy or ally of enemy any tax, annuity, or fee which may be required by the laws of such enemy or ally of enemy nation in relation to patents and trade-marks, prints, labels, and copyrights; and any such citizen or corporation may file and prosecute an application for letters patent or for registration of trade-mark, print, label, or copyright in the country of an enemy, or of an ally of enemy, after first submitting such application to the President and receiving license so to file and prosecute, and to pay the fees required by law and customary agents' fees, the maximum amount of which in each case shall be subject to the control of the President.

(c) Any citizen of the United States or any corporation organized within the United States desiring to manufacture, or cause to be manufactured, a machine, manufacture, composition of matter, or design, or to carry on, or to use any trade-mark, print, label or cause to be carried on, a process under any patent or copyrighted matter owned or controlled by an enemy or ally of enemy at any time during the existence of a state of war may apply to the President for a license; and the President is hereby authorized to grant such a license, non-exclusive or exclusive as he shall deem best, provided he shall be of the opinion that such grant is for the public welfare, and that the applicant is able and intends in good faith to manufacture, or cause to be manufactured, the machine, manufacture, composition of matter, or design, or to carry on, or cause to be carried on, the process or to use the trade-mark, print, label or copyrighted matter. The President may prescribe the conditions of this license, including the fixing of prices of articles and products necessary to the health of the military and naval forces of the United States or the successful prosecution of the war, and the rules and regulations under which such license may be granted and the fee which shall be charged therefor, not exceeding \$100, and not exceeding one per centum of the fund deposited as hereinafter provided. Such license shall be a complete defense to any suit at law or in equity instituted by the enemy or ally of enemy owners of the letters patent, trade-mark, print, label or copyright, or otherwise, against the licensee for infringement or for damages, royalty, or other money award on account of anything done by the licensee under such license, except as provided in subsection (f) hereof.

(d) The licensee shall file with the President a full statement of the extent of the use and enjoyment of the license, and of the prices received in such form and at such stated periods (at least annually) as the President may prescribe; and the licensee shall pay at such times as may be required to the alien property custodian not to exceed five per centum of the gross sums received by the licensee from the sale of said inventions or use of the trade-mark, print, label or copyrighted matter or, if the President shall so order, five per centum of the value of the use of such inventions, trade-marks, prints, labels or copyrighted matter to the licensee as established by the President; and sums so paid shall be deposited by said alien property custodian forthwith in the Treasury of the United States as a trust fund for the said licensee and for the owner of the said patent, trade-mark, print, label or copyright registration as hereinafter provided, to be paid from the Treasury upon order of the court, as provided in subdivision (f) of this section, or upon the direction of the alien property custodian.

(e) Unless surrendered or terminated as provided in this act, any license granted hereunder shall continue during the term fixed in the license or in the absence of any such limitation during the term of the patent, trade-mark, print, label, or copyright registration under which it is granted. Upon violation by the licensee of any of the provisions of this act, or of the conditions of the license, the President may, after due notice and hearing, cancel any license granted by him.

(f) The owner of any patent, trade-mark, print, label, or copyright under which a license is granted hereunder may, after the end of the war and until the expiration of one year thereafter, file a bill in equity against the licensee in the district court of the United States for the district in which the said licensee resides, or, if a corporation, in which it has its principal place of business (to which suit the Treasurer of the United States shall be made a party), for recovery from the said licensee for all use and enjoyment of the said patented invention, trade-mark, print, label, or copyrighted matter: *Provided, however*, That whenever suit is brought, as above, notice shall be filed with the alien property custodian within thirty days after date of entry of suit: *Provided further*, That the licensee may make any and all defenses which would be available were no license granted. The court on due proceedings had may adjudge and decree to the said owner payment of a reasonable royalty. The amount of said judgment and decree, when final, shall be paid on order of the court to the owner of the patent from the fund deposited by the licensee, so far as such deposit will satisfy said judgment and decree; and the said payment shall be in full or partial satisfaction of said judgment and decree, as the facts may appear; and if, after payment of all such judgments and decrees, there shall remain any balance of said deposit, such balance shall be repaid to the licensee on order of the alien property custodian. If no suit is brought within one year after the end of the war, or no notice is filed as above required, then the licensee shall not be liable to make any further deposits, and all funds deposited by him shall be repaid to him on order of the alien property custodian. Upon entry of suit and notice filed as above required, or upon repayment of funds as above provided, the liability of the licensee to make further reports to the President shall cease.

If suit is brought as above provided, the court may, at any time, terminate the license, and may, in such event, issue an injunction to restrain the licensee from infringement thereafter, or the court, in case the licensee, prior to suit, shall have made investment of capital based on possession of the license, may continue the license for such period and upon such terms and with such royalties as it shall find to be just and reasonable.

(g) Any enemy, or ally of enemy, may institute and prosecute suits in equity against any person other than a licensee under this act to enjoin infringement of letters patent, trade-mark, print, label, and copyrights in the United States owned or controlled by said enemy or ally of enemy in the same manner and to the extent that he would be entitled so to do if the United States was not at war: *Provided*, That no final judgment or decree shall be entered in favor of such enemy or ally of enemy by any court except after thirty days' notice to the alien property custodian. Such notice shall be in writing and shall be served in the same manner as civil process of Federal courts.

(h) All powers of attorney heretofore or hereafter granted by an enemy or ally of enemy to any person within the United States, in so far as they may

be requisite to the performance of acts authorized in subsections (a) and (g) of this section, shall be valid.

(i) Whenever the publication of an invention by the granting of a patent may, in the opinion of the President, be detrimental to the public safety or defense, or may assist the enemy or endanger the successful prosecution of the war, he may order that the invention be kept secret and withhold the grant of a patent until the end of the war: *Provided*, That the invention disclosed in the application for said patent may be held abandoned upon it being established before or by the Commissioner of Patents that, in violation of said order, said invention has been published or that an application for a patent therefor has been filed in any other country, by the inventor or his assigns or legal representatives, without the consent or approval of the commissioner or under a license of the President.

When an applicant whose patent is withheld as herein provided, and who faithfully obeys the order of the President above referred to shall tender his invention to the Government of the United States for its use, he shall, if he ultimately receives a patent, have the right to sue for compensation in the Court of Claims, such right to compensation to begin from the date of the use of the invention by the Government.

EXECUTIVE ORDER VESTING POWER AND AUTHORITY IN DESIGNATED OFFICERS AND MAKING RULES AND REGULATIONS UNDER TRADING-WITH-THE-ENEMY ACT AND TITLE VII OF THE ACT APPROVED JUNE 15, 1917. (OCT. 12, 1917.)

\* \* \* \* \*

FEDERAL TRADE COMMISSION.

XVII. I further hereby vest in the Federal Trade Commission the power and authority to issue licenses under such terms and conditions as are not inconsistent with law or to withhold or refuse the same, to any citizen of the United States or any corporation organized within the United States to file and prosecute applications in the country of an enemy or ally of enemy for letters patent or for registration of trade-mark, print, label, or copyright, and to pay the fees required by law and the customary agents' fees, the maximum amount of which in each case shall be subject to the control of such commission; or to pay to any enemy or ally of enemy any tax, annuity, or fee which may be required by the laws of such enemy or ally of enemy nation in relation to patents, trade-marks, prints, labels, and copyrights.

XVIII. I hereby vest in the Federal Trade Commission the power and authority to issue, pursuant to the provisions of section 10 (c) of the trading-with-the-enemy act, upon such terms and conditions as are not inconsistent with law, or to withhold or refuse a license to any citizen of the United States, or any corporation organized within the United States, to manufacture or cause to be manufactured a machine, manufacture, composition of matter, or design, or to carry on or cause to be carried on a process under any patent, or to use any trade-mark, print, label, or copyrighted matter owned or controlled by an enemy or ally of enemy, at any time during the present war; and also to fix the prices of articles and products manufactured under such licenses necessary to the health of the military and the naval forces of the United States, or the successful prosecution of the war; and to prescribe the fee which may be charged for such license, not exceeding \$100 and not exceeding 1 per cent of the fund deposited by the licensee with the alien property custodian as provided by law.

XIX. I hereby further vest in the said Federal Trade Commission the executive administration of the provisions of section 10 (d) of the trading-with-the-enemy act, the power and authority to prescribe the form of, and time and manner of filing statements of the extent of the use and enjoyment of the license and of the prices received and the times at which the licensee shall make payments to the alien property custodian, and the amounts of said payments, in accordance with the trading-with-the-enemy act.

XX. I further hereby vest in the Federal Trade Commission the power and authority, whenever in its opinion the publication of an invention or the granting of a patent may be detrimental to the public safety or defense, or may assist the enemy, or endanger the successful prosecution of the war, to order that the

invention be kept secret and the grant of letters patent withheld until the end of the war.

XXI. The said Federal Trade Commission is hereby authorized to take all such measures as may be necessary or expedient to administer the powers hereby conferred.

# PAYMENT OF PATENT, TRADE-MARK, AND COPYRIGHT TAXES, ANNUITIES AND FEES IN ENEMY COUNTRIES AND FILING AND PROSECUTING APPLICATIONS THEREIN.

Applicants for licenses must submit, in the English language,<sup>1</sup> to the Federal Trade Commission every application for letters patent, for the registration of trade-mark, print, label, or copyright which they desire to file in the country of an enemy or ally of enemy, every amendment, power of attorney, letter, or communication with respect thereto, and every drawing, electro, or other cut or reproduction, specimen, facsimile, copy, or model, together with any check, draft, or other form of remittance for any tax, annuity, or fee, and agents' or attorneys' fees or compensation proposed to be sent, directly or indirectly, to any country of an enemy or ally of an enemy. In the case of chemical compounds or compositions of matter there shall also be submitted samples of the article or preparation, or samples of the ingredients, if any; and in the case of coloring matters prepared from tar, a sample of the dyeing of wool, silk, or cotton, and any statement, description, and directions in respect thereto, if and as required by the foreign law, and any and all other samples, specimens, descriptions, statements, and directions proposed to be forwarded.

There shall also be submitted at the same time, the envelope or other cover, stamped with sufficient postage and addressed, in which the matters herein mentioned are proposed to be forwarded.

The intention is to have submitted to the Federal Trade Commission every inclosure and cover concerning every application for patent, trade-mark, print, label, or copyright, and their prosecution, desired to be forwarded, directly or indirectly, to an enemy country or to the country of an ally of an enemy.

Everything (except remittance) is required to be furnished to the Federal Trade Commission in duplicate. One copy will be retained in the files of the commission.

Each application for a license shall be accompanied by the affidavit of the applicant, his solicitor, or patent agent that nothing contained in any of the material submitted will give any information detrimental to the public safety or defense or which may assist the enemy or endanger the successful prosecution of the war, and that the amount of money, if any, proposed to be transmitted is the correct tax, annuity, or fee and the customary agents' fee, and such affidavit shall also state what portion of the remittance is to be applied to taxes, fees, or annuities and what portion to agents' fees.

It is unlawful and punishable by fine and imprisonment for anyone without first obtaining a license to forward applications for letters patent or for the registration of trade-mark, print, label, or copy-

<sup>1</sup> In exceptional cases and for good cause shown, applications and other communications may be submitted in German, but only when accompanied by a verified English translation.

right in an enemy or ally of enemy nation indirectly through correspondence or agents in any foreign country.<sup>1</sup>

APPLICATIONS FOR LICENSES UNDER PATENTS AND COPYRIGHTS OWNED OR CONTROLLED BY AN ENEMY OR ALLY OF AN ENEMY.

Applicants for a license under patents or copyrights owned or controlled by an enemy or an ally of an enemy are required to file a verified statement with the Federal Trade Commission in concise and nontechnical language, covering the following points, stating in each instance the facts upon which any conclusion may be based:

(a) If an individual, that he is a citizen of the United States. If a corporation, that it is organized within the United States.

(b) That the patent or copyright desired to be licensed is owned or controlled by an enemy or an ally of an enemy. (For definitions of "enemy" and "ally of an enemy" see footnote.)

FOOTNOTE.—DEFINITIONS OF "ENEMY" AND "ALLY OF ENEMY."

SEC. 2. That the word "enemy," as used herein, shall be deemed to mean, for the purpose of such trading and of this act—

(a) Any individual, partnership, or other body of individuals, of any nationality, resident within the territory (including that occupied by the military and naval forces) of any nation with which the United States is at war, or resident outside the United States and doing business within such territory, and any corporation incorporated within such territory of any nation with which the United States is at war or incorporated within any country other than the United States and doing business within such territory.

(b) The government of any nation with which the United States is at war, or any political or municipal subdivision thereof, or any officer, official, agent, or agency thereof.

(c) Such other individuals, or body or class of individuals, as may be natives, citizens, or subjects of any nation with which the United States is at war, other than citizens of the United States, wherever resident or wherever doing business, as the President, if he shall find the safety of the United States or the successful prosecution of the war shall so require, may, by proclamation, include within the term "enemy."

The words "ally of enemy," as used herein, shall be deemed to mean—

(a) Any individual, partnership, or other body of individuals, of any nationality, resident within the territory (including that occupied by the military and naval forces) of any nation which is an ally of a nation with which the United States is at war, or resident outside the United States and doing business within such territory, and any corporation incorporated within such territory of such ally nation, or incorporated within any country other than the United States and doing business within such territory.

(b) The government of any nation which is an ally of a nation with which the United States is at war, or any political or municipal subdivision of such ally nation, or any officer, official, agent, or agency thereof.

(c) Such other individuals, or body or class of individuals as may be natives, citizens, or subjects of any nation which is an ally of a nation with which the

<sup>1</sup>Attention is called to the following provisions of sec. 3 of the trading-with-the-enemy act:

"\* \* \* and it shall be unlawful \* \* \* for any person to send, take, or transmit out of the United States any letter or other writing, book, map, plan, or other paper, picture, or any telegram, cablegram, or wireless message or any other form of communication intended for or to be delivered, directly or indirectly, to an enemy or ally of an enemy: *Provided, however,* That any person may send, take or transmit out of the United States anything herein forbidden if he shall first submit the same to the President or to such officer as the President may direct and shall obtain the license or consent of the President, and under such rules and regulations and with such exemptions as shall be prescribed by the President."

Violation of any of the provisions of the act or of any license, rule, or regulation issued thereunder is punishable by a fine of not more than \$10,000 or imprisonment for not more than 10 years or both.

United States is at war, other than citizens of the United States, wherever resident or wherever doing business, as the President, if he shall find the safety of the United States or the successful prosecution of the war shall so require, may, by proclamation, include within the term "ally of enemy."

If it is claimed that the patent or copyright is controlled by an enemy or ally of an enemy, the nature and origin of the control should be plainly stated, whether by contract, agency, stock ownership, or otherwise.

(c) There shall be attached to the application a Patent Office copy of the patent and a certified abstract of title to it, or a specimen of the copyrighted article and a certified copy of the copyright entries and, in the case of a patent, of a certified copy of the petition and all powers of attorney in the file of the application.

(d) That licensing the applicant is for the public welfare. Specifically, that there is a demand for the patented or copyrighted article or the product of the patented process which is not being met.

(e) That the applicant is able to make or cause to be made the patented or copyrighted article or exercise the patented process. Specifically, that the applicant is technically and otherwise equipped to undertake or procure the manufacture or operate the process and is in fact able to do so.

(f) That the applicant intends to do so in good faith.

(g) The application must be verified by the person applying for the license, and in the case of a corporation by an officer thereof acquainted with the facts recited.

Each application shall be accompanied with a remittance of one hundred dollars.

A suggested form of application is appended.

A separate application is required for each patent or copyright.

The application should be prepared in duplicate and, for convenience in filing, on good unglazed paper 8 inches by 10½ inches, directed to the Federal Trade Commission, Patent, Trade-mark, and Copyright Division, and may be transmitted by mail or delivered personally. Personal attendance at the outset is not necessary. If any hearings are desired, notice of them will be given.

In every case where practicable notice of applications for license will be given to the attorney of the patentee or copyright proprietor whose name appears in the file of the application in the Patent Office or the office of the Register of Copyrights.

*The burden of establishing affirmatively the facts upon which, under the terms of the act, licenses may be granted is placed upon the applicant for license.*

#### THE TERMS OF THE LICENSE.

The act provides and the Executive order vests in the Federal Trade Commission the duty of prescribing the conditions of the license.

The form of licenses proposed to be issued is appended.

Only nonexclusive licenses will be issued unless the public interest shall otherwise require.

#### DURATION OF LICENSE.

The act provides (sec. 10 (e)) that licenses shall continue during the terms fixed in the license, or, in the absence of any such limitation,

during the term of the patent \* \* \* or copyright registration under which it is granted, and that upon violation by the licensee of any of the provisions of the act, or of the conditions of the license, after due notice and hearing, the license may be canceled.

#### LICENSES UNDER TRADE-MARKS, PRINTS, AND LABELS OWNED OR CONTROLLED BY AN ENEMY OR ALLY OF AN ENEMY.

Licenses for the use of trade-marks, prints, and labels will be granted only under exceptional circumstances. Applications for licenses under the following conditions will be entertained:

(1) Where the alleged trade-mark is the name of a patented or copyrighted article and a license is granted under the patent or copyright.

(2) Where the alleged trade-mark is the name of an article manufactured under an expired patent or copyright.

#### THE LICENSE FEE.

The act provides that the license fee shall not exceed \$100, and not exceeding 1 per cent of the sum deposited with the alien property custodian. This fund is an amount not to exceed (a) 5 per cent of the gross sums received by the licensee from the sale of the licensed subject matter, or (b) 5 per cent of the value of the use of the licensed subject matter as established by the Federal Trade Commission.

#### ACCOUNTING AND PAYMENT TO THE ALIEN PROPERTY CUSTODIAN.

The licensee shall file with the Federal Trade Commission, semi-annually on January 1 and July 1 of each year and oftener if required, a full statement of the extent of the use and enjoyment of the license, and of the prices received from the sale or use of the subject matter of it, and within 30 days thereafter the licensee shall pay to the alien property custodian not to exceed 5 per cent of the gross sums received from the sale of the licensed subject matter, or if the Federal Trade Commission so order not to exceed 5 per cent of the value of the use of the licensed subject matter as established by the Federal Trade Commission.

#### SUGGESTED FORM OF APPLICATION TO THE FEDERAL TRADE COMMISSION FOR A LICENSE.

#### TRADING WITH THE ENEMY ACT.

To the FEDERAL TRADE COMMISSION:

Application of \_\_\_\_\_ for a license under patent to \_\_\_\_\_, date \_\_\_\_\_, No. \_\_\_\_\_.

(If under copyright, state title of work, name of copyright proprietor, and date of copyright registration.)

The undersigned, for the purpose of securing a license, represents to the Federal Trade Commission as follows:

(a) The undersigned is a citizen of the United States, residing at \_\_\_\_\_ Street, in the city of \_\_\_\_\_, State of \_\_\_\_\_, United States of America. (If a corporation, state under the laws of what State it is organized; the location of its corporate offices, its business offices, and plants or factories.)

(b) The undersigned is desirous of being licensed under the patent (or copyright) above named, which is owned or controlled by \_\_\_\_\_, a citizen or subject of \_\_\_\_\_. (State the enemy country or the ally of the enemy of which the patentee or copyright proprietor is a citizen or subject, or if a corporation where it is incorporated, and if the patent or copyright is not owned but is claimed to be controlled state fully the facts which establish the nature and origin of the enemy or ally of enemy control, whether it is by means of an agency, by contract, by stock ownership in corporations, or otherwise.)

(c) Attached hereto is a Patent Office copy of the letters patent and a certified abstract of its title from the Patent Office and a certified copy of the petition and all powers of attorney in the file of the application (or, in the case of a copyright, a specimen of the copyrighted work, and a certified copy of the copyright entries from the office of the Register of Copyrights).

(d) It is for the public welfare that the license applied for be granted because—(Here state briefly but completely and in nontechnical language the reason why it is for the public benefit that the license be granted and specifically the demand for the article prior to the war, the demand for the article at the present time whether or not this demand is being met or can be met, prices obtained prior to the war and prices at the present time.)

(e) Applicant is able to make or cause to be made the patented or copyrighted article because—(Here state specifically the applicant's experience in the production of articles of the kind covered by the patent or copyright, his technical equipment for manufacturing and selling such articles and his ability to do so, the estimated cost of manufacture and price proposed to be charged if the license is granted.)

(If the applicant does not intend to manufacture but to procure the manufacture of the article, state specifically what arrangements have been made or proposed to this end and their terms and conditions. State the name and address of the manufacturer proposed to be employed and his technical equipment, etc., and attach copies of any contracts or proposals.)

(f) The license desired is exclusive or nonexclusive for the following reasons: (Here state reasons why, in the opinion of the applicant, the license should be exclusive or nonexclusive.)

(g) The license is desired—

(1) For the term of the patent or copyright, (2) the duration of the war, or (3) any other period, stating reasons in each case.

(h) The application is also to contain the following: "The undersigned intends in good faith to manufacture or cause to be manufactured the article licensed and understands that the license, if granted, may not be assigned and may be canceled by the Federal Trade Commission, after due notice of hearing, upon violation by the undersigned of any of the provisions of the 'Trading with the enemy Act' or of any of the conditions of the license."

(Signed) \_\_\_\_\_,

*Applicant.*

#### OATH FOR AN INDIVIDUAL.

STATE OF \_\_\_\_\_,

County of \_\_\_\_\_, ss:

\_\_\_\_\_, being duly sworn, deposes and states that he is the same person whose name is signed to the foregoing statement; that he has read this statement and knows and understands its contents; and that it is true.

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 191\_\_.

\_\_\_\_\_,  
*Notary Public.*

#### OATH FOR A CORPORATION.

STATE OF \_\_\_\_\_,

County of \_\_\_\_\_, ss:

\_\_\_\_\_, being duly sworn, deposes and states that he is the \_\_\_\_\_ of \_\_\_\_\_, the corporation whose name is signed to the foregoing statement; that he is duly authorized to swear to such statement on behalf of

such corporation; that he has read this statement and knows and understands its contents, and that it is true.

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 191\_\_.

\_\_\_\_\_  
Notary Public.

#### FORM OF LICENSE UNDER PATENT.

Patent licenses issued by the Federal Trade Commission under the provisions of the "Trading with the enemy Act" will be in substantially the following form:

Patent No. \_\_\_\_\_, dated \_\_\_\_\_, to \_\_\_\_\_, for \_\_\_\_\_.

The Federal Trade Commission, under the authority of and in conformity with the "Trading with the enemy Act," and of the Executive order of October 12, 1917, hereby licenses \_\_\_\_\_ to make, use, and vend within the United States the invention described and claimed in United States letters patent to \_\_\_\_\_ No. \_\_\_\_\_, dated \_\_\_\_\_ (copy annexed hereto) for the period of \_\_\_\_\_ unless sooner terminated.

The licensee during the continuance of this license shall pay to the alien property custodian, semiannually, within 30 days after the 1st day of January and the 1st day of July, respectively, of each year, a royalty at the rate of \_\_\_\_\_ per cent of the gross sums received by the licensee from the sale of the invention so herein licensed (or \_\_\_\_\_ per cent of the value of the use thereof to the licensee as established by the Federal Trade Commission).

The licensee shall, during the continuance of this license, keep proper accounts and separate books containing full particulars of:

(a) All articles made or caused to be made by the licensee under the said letters patent and of the price or prices charged therefor;

(b) All items of cost incurred in the use of such invention and the manufacture and sale of articles made thereunder; and

(c) All other matters and things which in the opinion of the Federal Trade Commission may be material for the purpose of showing the amounts from time to time payable by the licensee concerning such royalty and what is a fair and reasonable price to the public for such article.

The licensee shall, within 10 days after each of the semiannual days aforesaid, deliver a sworn statement to the Federal Trade Commission in writing showing the aforesaid particulars.

The licensee shall, during the continuance of this license, give all such information as the Federal Trade Commission may consider to be material for the purpose of ascertaining the amount of royalty payable by the licensee under this license, the cost of the use of such invention, the cost of producing and the price or prices charged by the licensee for the said article, and for that purpose shall, if requested by the Federal Trade Commission, permit such person or persons as shall be authorized in that behalf by the Federal Trade Commission at any time or times to enter upon and inspect any factory or place of business of the licensee in which the use of the said invention or the manufacture of the said article shall be carried on and all books, papers, and documents of such licensee relating to such use, manufacture, and sale.

If any payment under this license shall not be made within one month after the same shall have become due under the provisions herein contained (whether demand therefor shall have been made or not), or if the licensee shall or shall attempt to assign or part with the benefit of or grant any sublicense under this license, or shall make default in the performance or observance of any obligation on his part herein contained, or shall have violated any of the conditions of this license or any of the provisions of the statute under which it is granted, and if, after 10 days' notice in writing, shall have failed to comply with the aforesaid, then the Federal Trade Commission may, by notice in writing, and after a hearing, cancel and terminate this license as from the date of such notice, but without prejudice to and so as not in any manner to affect any

liability hereunder on the part of the licensee which may then be subsisting or have accrued.

If in the opinion of the Federal Trade Commission the licensee has failed to use this license so as to satisfy the reasonable requirement of the public with regard to the subject matter thereof; or

If in the opinion of the Federal Trade Commission the licensee has failed to supply to the public the articles made under this license at reasonable prices; or

If in the opinion of the Federal Trade Commission the licensee has charged unreasonable or excessive prices for articles made under this license; or

If in the opinion of the Federal Trade Commission the articles made under this license are of unsatisfactory quality (and the licensee shall furnish to the Federal Trade Commission in the manner prescribed by it and when and as often as required, samples and specimens for inspection, analysis, and test); or

Circumstances have arisen which, in the opinion of the Federal Trade Commission, make it just and equitable that this license be canceled in whole or in part;

The Federal Trade Commission may, in its discretion, give notice in writing to the licensee to terminate and cancel this license in whole or in part, and, if canceled and terminated, the same shall be without prejudice to and so as not in any manner to affect any liability hereunder on the part of the licensee which may then be subsisting or have accrued.

Any sums which may at any time be payable by the licensee under the provisions of this license shall be a debt due from the licensee to the people of the United States, and shall be recovered in an appropriate action in the name of the people of the United States against the licensee.

Dated. \_\_\_\_\_, 191\_\_.

Accepted and agreed to.

\_\_\_\_\_  
*Licensee.*

A copy of the patent is to be attached.

If the licensee is not to be the actual manufacturer, the licensee will be held accountable to the Federal Trade Commission for the observance of the terms of his license by the actual manufacturer of the article, and the license will contain the following addendum, naming the actual manufacturer who shall sign:

\_\_\_\_\_, the manufacturer for \_\_\_\_\_  
\_\_\_\_\_, the licensee \_\_\_\_\_  
of the article herein licensed, separately agrees to keep separate books containing full particulars of all articles manufactured, and the cost thereof, sold to \_\_\_\_\_, the licensee, and the price or prices charged therefor, and his books and plant shall be open to inspection in the same manner as provided for the licensee. The licensee and the undersigned, during the continuance of the license, shall furnish or procure to be furnished all such information as the Federal Trade Commission may consider to be material for the purpose of ascertaining the amount of royalty payable by the licensee, the cost of producing or procuring the patented article, the price or prices charged for said article, and shall permit or procure permission to be given to such person or persons as shall be authorized in that behalf by the Federal Trade Commission at any time or times to enter upon and inspect any factory or place of business in which the manufacture of the patented article shall be carried on by the undersigned for the licensee, and all books, papers, and documents relating to such manufacture and sale.

The undersigned, manufacturer, is not authorized to make, use, or vend the invention of the patent except for \_\_\_\_\_, the licensee, and not further or otherwise, and the undersigned undertakes to observe and perform the terms and conditions of the license to \_\_\_\_\_, to which this is attached.

Dated. \_\_\_\_\_, 191\_\_.

Accepted and agreed to.

\_\_\_\_\_  
*Manufacturer.*

## FORM OF LICENSE UNDER COPYRIGHT.

Copyright licenses issued by the Federal Trade Commission under the provisions of the "Trading with the enemy Act" will be in substantially the following form:

Copyright No. ———, dated ——— to ——— for the (book, etc., as the case may be; see copyright act of March 4, 1909, sec. 5, for classification) entitled (insert title of work).

The Federal Trade Commission, under the authority of and in conformity with the "Trading with the enemy Act" and of the Executive order of October 12, 1917, hereby licenses ——— to exercise within the United States all the rights created by the copyright laws of the United States of America, being the act of March 4, 1909, as amended, with respect to the subject matter of copyright to ———, No. ———, dated ——— for the (book, etc., as the case may be; see copyright act of March 4, 1909, sec. 5, for classification) entitled (insert title of work), a copy of which is annexed hereto, for the period of ———, unless sooner terminated.

The licensee, during the continuance of this license, shall pay to the alien property custodian, semiannually, within 30 days after the 1st day of January, and the 1st day of July, respectively, of each year, a royalty at the rate of ——— per cent of the gross sums received by the licensee from the sale of the copyright work so herein licensed (or ——— per cent of the value of the use thereof to the license as established by the Federal Trade Commission).

The licensee shall, during the continuance of this license, keep proper accounts and separate books containing full particulars of—

(a) All copies of said copyright work made or caused to be made by the licensee under the said copyright and of the price or prices charged therefor:

(b) All items of cost incurred in the use of said copyright work and in the manufacture and sale of such copyright work, and

(c) All other matters and things which, in the opinion of the Federal Trade Commission, may be material for the purpose of showing the amounts from time to time payable by the licensee concerning such royalty, and what is a fair and reasonable price to the public for such copyright work.

The licensee shall, within 10 days after each of the semiannual days aforesaid, deliver a sworn statement to the Federal Trade Commission in writing showing the aforesaid particulars.

The licensee shall during the continuance of this license give all such information as the Federal Trade Commission may consider to be material for the purpose of ascertaining the amount of royalty payable by the licensee under this license, the cost of producing, and the price or prices charged by the licensee for the said copyright work, and for that purpose shall, if requested by the Federal Trade Commission, permit such person or persons as shall be authorized in that behalf by the Federal Trade Commission at any time or times to enter upon and inspect any factory or place of business of the licensee in which the use or manufacture of the said copyright work shall be carried on, and all books, papers, and documents of such licensee relating to such use, manufacture, and sale.

If any payment under this license shall not be made within one month after the same shall have become due under the provisions herein contained (whether demand therefor shall have been made or not), or if the licensee shall or shall attempt to assign or part with the benefit of or grant any sublicense under this license, or shall make default in the performance or observance of any obligation on his part herein contained, or shall have violated any of the conditions of this license or any of the provisions of the statute under which it is granted, and if after 10 days' notice, in writing, shall have failed to comply with the aforesaid, then the Federal Trade Commission may, by notice in writing, and after a hearing, cancel and terminate this license as from the date of such notice, but without prejudice to and so as not in any manner to affect any liability hereunder on the part of the licensee which may then be subsisting or have accrued.

If in the opinion of the Federal Trade Commission the licensee has failed to use this license so as to satisfy the reasonable requirement of the public with regard to the copyright work; or

If in the opinion of the Federal Trade Commission the licensee has failed to supply to the public the copyright work at reasonable prices; or

If in the opinion of the Federal Trade Commission the licensee has charged unreasonable or excessive prices for said copyright work; or

Circumstances have arisen which in the opinion of the Federal Trade Commission make it just and equitable that this license be canceled in whole or in part;

The Federal Trade Commission may, in its discretion, give notice in writing to the licensee to terminate this license in whole or in part, and if canceled and terminated the same shall be without prejudice to and so as not in any manner to affect any liability hereunder on the part of the licensee which may then be subsisting or have accrued.

Any sums which may at any time be payable by the licensee under the provisions of this license shall be a debt due from the licensee to the people of the United States and shall be recovered in an appropriate action in the name of the people of the United States against the licensee.

Dated \_\_\_\_\_, 191---

Accepted and agreed to.

\_\_\_\_\_  
Licensee.

If the licensee is not to be the actual manufacturer or producer of the copyright work, the licensee will be held accountable to the Federal Trade Commission for the observance of the terms of his license by the actual manufacturer or producer of the article, and the license will contain the following addendum, naming the actual manufacturer or producer of the article, who shall sign:

\_\_\_\_\_, the manufacturer for \_\_\_\_\_  
\_\_\_\_\_, the licensee of the copyright work herein licensed, separately agrees to keep separate books containing full particulars of all of such copyright works manufactured and the cost thereof, sold to \_\_\_\_\_  
\_\_\_\_\_, the licensee, and the price or prices charged therefor, and his books and plant shall be open to inspection in the same manner as provided for the licensee. The licensee and the undersigned, during the continuance of the license, shall furnish or procure to be furnished all such information as the Federal Trade Commission may consider to be material for the purpose of ascertaining the amount of royalty payable by the licensee, the cost of producing or procuring the copyright work, the price or prices charged therefor, and shall permit or procure permission to be given to such person or persons as shall be authorized in that behalf by the Federal Trade Commission at any time or times to enter upon and inspect any factory or place of business in which the manufacture of the copyright work shall be carried on by the undersigned for the licensee, and all books, papers, and documents relating to such manufacture and sale.

The undersigned, manufacturer, is not authorized to exercise any right conferred by the copyright statutes with respect to the copyright work here involved except for \_\_\_\_\_, the licensee, and not further or otherwise, and the undersigned undertakes to observe and perform the terms and conditions of the license to \_\_\_\_\_  
\_\_\_\_\_ to which this is attached.

Dated \_\_\_\_\_, 191---

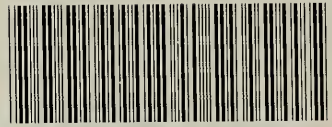
Accepted and agreed to.

\_\_\_\_\_  
Manufacturer.

A surety company bond may be required of the licensee, if, in the opinion of the Federal Trade Commission, it is necessary to safeguard the public interest.



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